

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 407
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS FOR THE NIOBRARA FORMATION,) DOCKET NO. 181000755
WATTENBERG FIELD, WELD COUNTY,)
COLORADO) TYPE: POOLING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 5 North, Range 64 West, 6th P.M.

Section 29: N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$

Section 30: N $\frac{1}{2}$ N $\frac{1}{2}$

Township 5 North, Range 65 West, 6th P.M.

Section 25: NE $\frac{1}{4}$ NE $\frac{1}{4}$

APPLICATION

On August 29, 2018, PDC Energy, Inc. (Operator No. 69175) ("PDC" or "Applicant"), filed a verified application pursuant to §34-60-116, C.R.S. for an order to:

- 1) Pool all interests in an approximate 320-acre designated horizontal wellbore spacing unit, established for the Application Lands, for the development and operation of the Niobrara Formation; and
- 2) Subject any nonconsenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date that any of the costs specified in §34-60-116(7)(b), C.R.S., were first incurred for the drilling of the Castle 2N Well (API No. 05-123-46291) ("Well").

APPLICABLE ORDERS AND RULES

(available online at: <http://cogcc.state.co.us>, under "Regulation," then select "Orders" or "Rules")

- On April 27, 1998, the Commission adopted Rule 318A, which, among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well, and to commingle any or all of the Cretaceous Age Formations from the base of the Dakota Formation to the surface. Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. On December 5, 2005, Rule 318A was amended, among other things, to allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, Rule 318A was again amended, among other things, to address drilling of horizontal wells. The N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 29, and the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 30, Township 5 North,

Range 64 West, 6th P.M., and the NE $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 25, Township 5 North, Range 65 West, 6th P.M., are subject to Rule 318A for the Niobrara Formation.

- On February 19, 1992, the Commission entered Order No. 407-87 (amended August 20, 1993) which, among other things, established 80-acre drilling and spacing units for the production of oil, gas, and associated hydrocarbons from the Codell-Niobrara Formations, the Codell Formation, and the Niobrara Formation underlying certain lands, including the N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 29, and the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 30, Township 5 North, Range 64 West, 6th P.M., and the NE $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 25, Township 5 North, Range 65 West, 6th P.M., with the permitted well locations in accordance with the provisions of Order 407-1.
- On July 14, 2009, the Commission entered Order No. 407-334, which, among other things, pooled all non-consenting interests in an approximate 160-acre wellbore spacing unit for the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 30, Township 5 North, Range 64 West, 6th P.M., and the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 25, Township 5 North, Range 65 West, 6th P.M., for the Conagra B #30-31D Well (API No. 05-123-26997), from the Codell and Niobrara Formations. Order No. 407-334 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.
- On March 17, 2014, the Commission entered Order No. 407-985, which, among other things, pooled all non-consenting interests in an approximate 400-acre wellbore spacing unit for the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 19 and the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 30, Township 5 North, Range 64 West, 6th P.M., and the S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 24 and the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 25, Township 5 North, Range 65 West, 6th P.M., for the LaSalle 25E-202 Well (API No. 05-123-37408), from the Niobrara Formation. Order No. 407-985 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.
- On September 15, 2014, the Commission entered Order No. 407-1114, which, among other things, pooled all non-consenting interests in an approximate 400-acre wellbore spacing unit for the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 24, and the N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 25, Township 5 North, Range 65 West, 6th P.M., and the S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 19, and the N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 30, Township 5 North, Range 64 West, 6th P.M., for the Maxey 24Q-302 Well (API No. 05-123-37775), from the Niobrara Formation. Order No. 407-1114 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.
- Also on September 15, 2014, the Commission entered Order No. 407-1116, which, among other things, pooled all non-consenting interests in an approximate 400-acre wellbore spacing unit for the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 24, and the N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 25, Township 5 North, Range 65 West, 6th P.M., and the S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 19, and the N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 30, Township 5 North, Range 64 West, 6th P.M., for the Maxey 24Q-112 Well (API No. 05-123-37776), from the Niobrara Formation. Order No. 407-1116 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.
- On March 7, 2016, the Commission entered Order No. 407-1646, which, among other things, pooled all non-consenting interests in an approximate 720-acre wellbore spacing unit for the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 19; S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 20; S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$

of Section 21; N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 28; N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 29; and the N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 30, Township 5 North, Range 64 West, 6th P.M., for the Schneider 19Q-312 Well (API No. 05-123-39542), from the Niobrara Formation. Order No. 407-1646 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

- Also on March 7, 2016, the Commission entered Order No. 407-1647, which, among other things, pooled all non-consenting interests in an approximate 720-acre wellbore spacing unit for the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 19; S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 20; S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 21; N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 28; N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 29; and the N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 30, Township 5 North, Range 64 West, 6th P.M., for the Schneider 19Q-202 Well (API No. 05-123-39541), from the Niobrara Formation. Order No. 407-1647 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

NOTICE IS HEREBY GIVEN, pursuant to §§ 34-60-101 to 130, C.R.S., and the Commission's Rules of Practice and Procedure, 2 CCR 404-1, that the Commission has scheduled this matter for hearing on:

Date: October 29-30, 2018

Time: 9:00 a.m.

Place: Colorado Oil and Gas Conservation Commission
The Chancery Building
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

Additional information about the hearing on this Application will be in the Commission's Agenda, which is posted on the Commission website approximately 3 days before the hearing.

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

At hearing, the Commission will consider the Application and enter an order pursuant to its authority under the statute. **Any interested party desiring to protest or intervene should file with the Commission a written protest or intervention in accordance with Rule 509., no later than October 15, 2018.** Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. One electronic (cogcc.hearings_unit@state.co.us), one original and two copies shall be filed with the Commission. **Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of October 15, 2018, if a prehearing conference is requested by the Applicant, or any person who has filed a protest or intervention.** Pursuant to Rule 511, if the matter is uncontested, it may be approved without a hearing.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By  _____
Julie Spence Pine, Secretary

Dated: September 20, 2018

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